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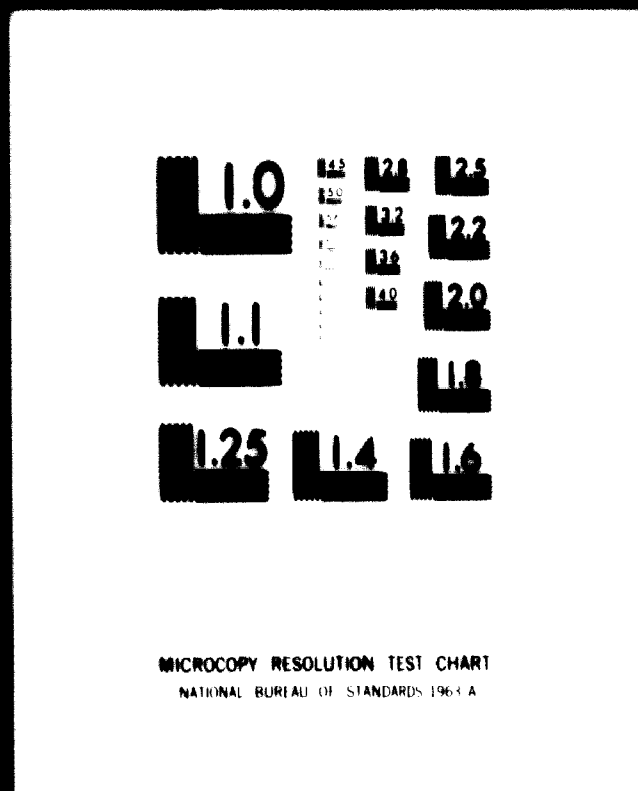
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ORIGINAL ENGLISH

Third Asian Meeting to Promote
Industrial Projects

Kuala Lumpur, Malaysia
14-21 November 1973

Project Information Sheet

DESICCATED COCONUT

COUNTRY

Malaysia

PROJECT

Desiccated Coconut

Capacity: 1,500 to 4,000 tons p.a.

Investment: US\$ 900,000

FOREIGN CONTRIBUTION REQUIRED

Know-how

Management

Marketing

Equity participation

Sponsored by : The Economic Commission for Asia and the Far East (ECAFE) and the United Nations Industrial Development Organization (UNIDO).

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IMPORTANT NOTICE

The basic purpose of this meeting is to provide an Exchange or Market Place for the initiation of contacts on specific industrial projects between their proponents from the Asian countries and potential suppliers of capital, finance, equipment or know-how, as the case may be, from the industrialized countries.

This Project Information Sheet has been prepared as a basis for such contacts. Its purpose is not to present detailed information about the project but to provide the recipient with an outline sufficient to determine tentative interest in principle. Any further available information on the project will be furnished on request to interested parties at the Meeting.

Experience has shown that industrialists frequently prefer to carry out their own further investigations in detail into projects in which they are interested, but assistance from UNIDO in these matters can be rendered to the Asian country concerned on request.

This Information Sheet contains only the information supplied to UNIDO by the proponent of the Project. UNIDO can therefore take no responsibility for its accuracy.

DESICCATED COCONUT^{1/}

I. INTRODUCTION

The Project

It is proposed to set up a plant for production of desiccated coconut in Sarawak (East Malaysia) for use in the manufacture of sweets, biscuits and cakes. In view of the negligible local demand, the project is almost exclusively export-oriented.

Foreign Contribution Required

Technical know-how, management, marketing and equity participation up to 40%.

II. ECONOMIC ASPECTS

The project is export-oriented, uses local raw materials and creates new employment. It is eligible for incentives such as duty free import of machinery and equipment, total or partial exemption from duties on imported raw materials and exemption from corporation and development tax for a period up to 8 years.

III. COMMERCIAL ASPECTS

Capacity

Initial capacity: 1,500 to 4,000 tons p.a.

Market

The domestic market is small with imports averaging about US\$ 15,000 per year. Therefore, nearly the whole production will have to be exported.

There is a vast market for this product in West European countries and in the USA. Average annual imports of some of these countries are:

United States: 55,300 tons

United Kingdom: 17,700 tons

West Germany: 9,200 tons

Netherlands: 3,500 tons.

Main sources of supply are the Philippines and Sri Lanka.

Prices

In 1970 the Philippines exported 47,882 long tons of desiccated coconut worth US\$ 13,859,510 to the United States (US\$ 290/ton).

In 1972, prices fluctuated from 162 £ to 275 £/ton (US\$ 405-687/ton) of desiccated coconut.

^{1/} All figures in this project information sheet are based on an exchange rate of: US\$ 1: M\$ 2.5.

IV. PHYSICAL ASPECTS

Location

Sarikel near Kutching (Sarawak) centrally located with regard to the existing coconut plantations.

Land

2 acres required.

Buildings

15,000 sq. ft.

Labour required

Skilled: 12 at US\$ 2 to 4/day.

Unskilled: 108 at US\$ 1 to 2/day.

Total : 120.

Infrastructure

Sarikel is located close to the major port of Sarawak capable of handling ocean going vessels call. Adequate water supply and electricity are available.

Utilities

Electricity is available at an average price of US\$ 0.032/kwh

Water to be supplied from own wells

Fuel oil available at US\$ 28.80/ton.

Raw materials

Based on a conversion rate of 5,000 coconuts/ton, the total requirement for the maximum production of 4,000 tons of desiccated coconut would be 20 million units. At an average yield of 4,400 nuts per acre the total plantation required for the plant would be around 4,500 acres. Such an acreage is available in the district. As against the current price of US\$ 0.072 in Kutching and 0.032 in the plantation a price of US\$ 0.04 to 0.05/nut can be assumed for delivery at factory.

V. FINANCIAL ASPECTS

Investment

The total investment is estimated at around US\$ 900,000 including the equivalent of US\$ 450,000 of working capital.

Financial plan

Not established as yet.

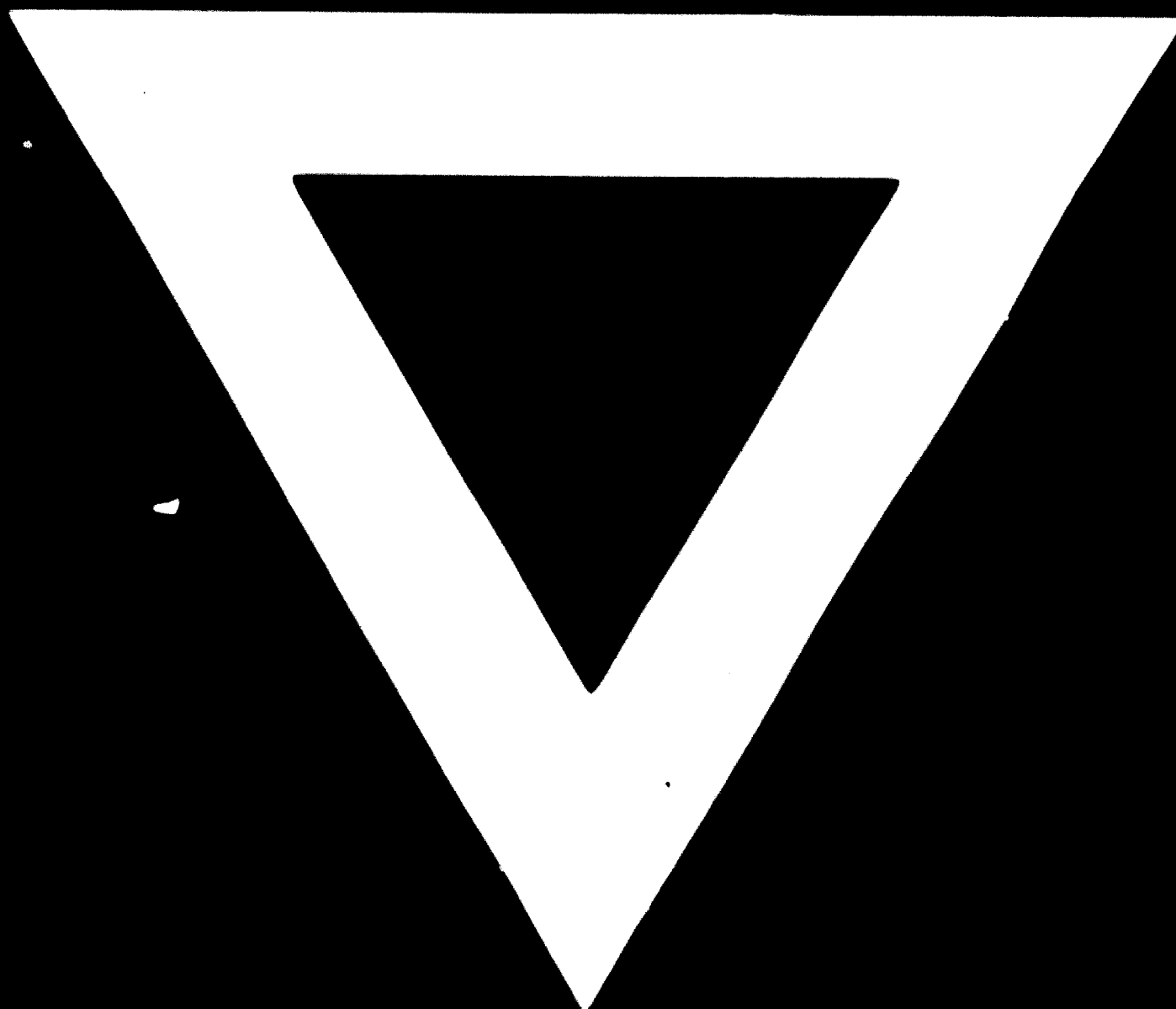
VI. ADDITIONAL RELEVANT INFORMATION

Project Proponent

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